



सत्यमेव जयते

The Gujarat Government Gazette

SUPPLEMENT TO THE CENTRAL GAZETTE AND CENTRAL SECTION

PUBLISHED BY AUTHORITY

VOL. LXV]

MONDAY, 03rd JUNE, 2024/JYAISTHA 13, 1946

[No. 52

Separate paging is given to each part of the supplement to the Central Gazette and Central section in order that it may be filed as a separate compilation

PART-II

EXTRAORDINARY

NSE IFSC LIMITED

Registered. Office: Unit no. 1201, Brigade International Financial Centre, 12th Floor,
Building No. 14-A, Block No. 14, Zone 1, GIFT SEZ, Gandhinagar, Gujarat – 382355

The Byelaws of NSE IFSC Limited are amended as under :

Chapter – Definition

The following definitions shall be inserted

(25) “Financial Product” means financial products as defined under section 3(d) of the International Financial Services Centres Authority Act, 2019 or as amended from time to time.

(26) “Financial Service” means financial service as defined under section 3(e) of the International Financial Services Centres Authority Act, 2019 or as amended from time to time and will include financial services as may be permitted to be undertaken by the stock exchanges from time to time.

(27) “Authorised Person” means any person-individual, partnership firm, LLP or body corporate who is appointed as such by a stockbroker (including Broker Dealer) and who provides access to the trading platform of the stock exchange as an agent of the stock broker.

(28) “broker dealer” means a person having trading rights in any recognised stock exchange and includes a “Trading Member”.

The following definitions shall be modified as under

(2) “Exchange Products” includes the securities, financial products, financial services or any other class of securities and / or products as may be permitted for trading by the regulator or Central Government from time to time which have been admitted to the Official List(s) of securities to trade on the Exchange

Note : Exchange Products is used interchangeably for securities, financial products, financial services or any other class of securities and / or products that are or may be approved from time to time.

(3) “Exchange” means the Stock Exchange(s) or an exchange trading “Exchange Products” as approved by the regulator and operated by NSE IFSC Limited.

(11) “Market-Maker” means a Broker Dealer registered under Chapter VII of the Bye laws.

(12) "Official List of Exchange Products" means the list of securities, financial products, financial services or any other products as may be permitted for trading by the regulator or Central Government from time to time which are listed or permitted to trade on the Exchange."

(13) "Participant" means a Constituent who is registered by the Relevant Authority from time to time under Chapter V of the Bye-Laws and includes participant(s) who may be permitted direct access to trading on the Exchange."

(15) "Relevant Authority" means the Regulator, Board, Managing Director of the Exchange or such other person, committee and / or such other authority as specified by the Board from time to time as relevant for a specified purpose.

(16) "Regulator" means IFSCA, or any such appropriate authority having jurisdiction over the Exchange, Broker Dealers and Participants, from time to time.

(17) "Rules", unless the context indicates otherwise, means rules as mentioned hereunder for regulating the activities and responsibilities of Broker Dealers of the Exchange and as prescribed by the Relevant Authority from time to time for the constitution, organisation and functioning of the Exchange and these rules shall be subject to the provisions of the Securities Law.

(20) "Securities Laws" shall include Securities Contracts (Regulation) Act, 1956 and Rules and Regulations thereunder, International Financial Services Centres Authority Act, 2019, Securities and Exchange Board of India Act, 1992 and Rules, Regulations, directions or guidelines thereunder including the applicable circulars, notifications, directives, guidelines made or issued thereunder by Central Government or regulator or any other concerned authority to facilitate and regulate the financial products and / or financial services.

(22) "Trading Member" means a Stock broker and the broker dealer of the Exchange registered in accordance with Chapter IV of the Bye-Laws.

(23) "Trading system of the Exchange" means a system which makes available to Broker Dealers and the investing public, by whatever method, quotations in Exchange Products and disseminates information regarding trades effected, volumes, etc. and such other notifications as may be placed thereon by the Committee.

Chapter I-Committee

The following provisions shall be modified as under

- (1) Committee(s) shall be constituted by the Board as specified by the regulator from time to time. Committee(s) shall be appointed by the Board for the purposes of managing the day to day affairs of the Exchange in such manner as laid down in the Rules.
- (2) The Committee(s) of the Exchange shall have such responsibilities and powers as may be delegated to it by the Board as provided for in the Rules and / or the applicable regulatory norms.

Chapter II –Regulations

The following provision shall be inserted

(2) (u) Norms, procedures and terms and conditions for registration and continuance of registration of authorised persons

The following provisions shall be modified as under

(1) The Relevant Authority may prescribe Regulations from time to time for the functioning and operations of the Exchange and to regulate the functioning and operations of the Broker Dealers of the Exchange.

(2) Without prejudice to the generality of (1) above, the Relevant Authority may prescribe Regulations from time to time, inter alia, with respect to:

- (a) norms, procedures, terms and conditions to be complied with for inclusion of Exchange Products in the Official List of Exchange Products;
- (b) fees payable by an Issuer for inclusion and continued inclusion in the Official List of Exchange Products;
- (c) norms and procedures for admission, termination, re-admission etc. of Broker Dealers in accordance with Chapter IV;
- (e) forms and conditions of contracts to be entered into, and the time, mode and manner for performance of contracts between Broker Dealers inter se or between Broker Dealers and their Constituents;
- (f) determination from time to time, of fees, system usage charges, deposits, margins and other monies payable to the Exchange by Broker Dealers, Participants and by Issuers whose Securities and / or "Exchange Products" are admitted/to be admitted to dealings on the Exchange and the scale of brokerage chargeable by Broker Dealers;

- (g) prescription, from time to time, of capital adequacy and other norms which shall be required to be maintained by Broker Dealers;
- (i) maintenance of records and books of accounts by Broker Dealers as it may deem fit and records as required under the Securities Laws;
- (l) disciplinary action/procedures against any Broker Dealer;
- (m) settlement of disputes, complaints, claims arising between Broker Dealers inter-se as well as between Broker Dealers and persons who are not Broker Dealers relating to any transaction in Exchange Products made on the Exchange including settlement by arbitration as defined under Chapter X of the Bye-laws;

Chapter III

The following chapter shall be renamed as under

Chapter III - DEALINGS IN EXCHANGE PRODUCTS

The following provisions shall be modified as under

Dealings Allowed

- (1) Dealings in Exchange Products shall be permitted on the Exchange as provided in these Bye Laws and Regulations and save as so provided, no other dealings are permitted.

Admission of Exchange Productsto Dealings

- (2) (a) Dealings are permitted on the Exchange in accordance with the provisions prescribed in these Bye Laws and Regulations in that behalf, in Exchange Products which are, from time to time, listed or permitted to trade on the Exchange by the Relevant Authority.
- (b) Admission of Exchange Productsto listing on the Exchange shall be in accordance with the requirements specified by the relevant authority from time to time and as per the provisions prescribed in these Bye Laws and Regulations in thatbehalf.

The Relevant Authority may admit from time to time Exchange Products which are permitted to trade on the Exchange.

Dealings in Exchange ProductsDealt on other Stock Exchanges

- (3) Without prejudice to the generality of Byelaw (2) above, the Relevant Authority may in its discretion and subject to such conditions as it may deem proper, permit dealings in any Exchange Products admitted to dealings on any other stock exchange or which are regularly dealt in on such stockexchange.

Application for Admission to Listing

- (4) Applications for admission of Exchange Products to be listed on the Exchange shall be made to the Relevant Authority in such form as the Relevant Authority may from time to time prescribe.

Conditions and Requirements of Dealings

- (5) The Relevant Authority may not grant admission to dealings to the Exchange Productsof an Issuer unless it complies with the conditions and requirements prescribed in these Bye Laws and Regulations and such other conditions and requirements as the Relevant Authority may from time to time prescribe.

Refusal of Admission to Listing

- (6) The Relevant Authority may, in its discretion, approve subject to such terms as it deems proper, or defer, or reject any application for admission of an Exchange Product to listing on the Exchange.

Fees

- (7) (a) Issuers whose Exchange Productsare granted admission to dealings on the Exchange shall pay such listing and such other fees and such other deposits as the Relevant Authority may from time to time determine.

Dealing in Provisional Documents

- (8) The Relevant Authority may, in its discretion, permit dealings in provisional documents. Provisional documents for purposes of these Bye Laws and Regulations denote Coupons, Fractional Certificates, Letters of Renunciation or transferable Letters of Allotment, Acceptance or Application or options or other rights or interests in Exchange Products, warrants issued or to be issued by an issuer or such documents as may be determined by the relevant authority from time to time or other similar documents in respect of an issuer whose Exchange Productsare sought to be admitted/admitted to dealings on the Exchange.

Specific Deals

- (9) The Relevant Authority may permit specific deals to be made in the case of Exchange Products of Issuers not admitted to dealings on the Exchange, which for the time being are prohibited or suspended for dealings.

Prohibited Dealings

- (10) The Relevant Authority may prohibit dealings on the Exchange in any Exchange Product for any cause or in the interest of the market and/or as directed by the regulator or any other Authority as applicable.

Suspension of Admission to Dealings on the Exchange

- (11) (a) The Relevant Authority may suspend at any time the admission to dealings on the Exchange granted to any Exchange Product for such period as it may determine. At the expiration of the period of suspension the Relevant Authority may revoke the suspension subject to such conditions as it deems fit.

Withdrawal of Admission to Dealings on Redemption or Conversion

- (12) The Relevant Authority may, if necessary, withdraw admission to dealings granted to Exchange Products which are about to be exchanged or converted into other Exchange Products as a result of any scheme of reorganisation or reconstruction or which being redeemable or convertible Exchange Products are about to fall due for redemption or conversion.

Withdrawal of Admission to Dealings on Liquidation or Merger

- (13) If any issuer be placed in final or provisional liquidation or is about to be merged into or amalgamated with another entity, the Relevant Authority may withdraw the admission to dealings on the Exchange granted to its Exchange Products. The Relevant Authority may accept such evidence as it deems sufficient on such liquidation, merger or amalgamation. Should the merger or amalgamation fail to take place or should an issuer placed in provisional liquidation be reinstated and an application be made for readmission of its Exchange Products to dealings on the Exchange, the Relevant Authority shall have the right of approving, refusing or deferring such application.

Withdrawal of Admission to Dealings on the Exchange

- (14) The Relevant Authority may, where deemed necessary, after giving an opportunity to the issuer to explain, withdraw the admission to dealings on the Exchange granted to its Exchange Products either for breach of or non-compliance with any of the conditions or requirements of admission to dealings, or for any other reason whatsoever.

Readmission to Dealings on the Exchange

- (15) The Relevant Authority in its discretion may readmit to dealings on the Exchange the Exchange Products of an issuer whose admission to dealings has been previously withdrawn.

Chapter IV

The following chapter shall be renamed as under

Chapter IV – Broker Dealers

The following provisions shall be modified as under

Appointment and Fees

- (1) (a) The Relevant Authority is empowered to admit Broker Dealers in accordance with the Bye Laws, Rules and Regulations it may frame from time to time in accordance with the Securities Laws.
- (b) The Relevant Authority may specify prerequisites, conditions, formats and procedures for application for admission, continued admission, termination, re-admission, etc. of Broker Dealers to the Exchange. The Relevant Authority may, at its absolute discretion, refuse permission to any applicant to be appointed as Broker Dealer.
- (c) The Broker Dealer shall pay such fees, security deposits and other monies as may be specified by the Relevant Authority from time to time, on admission as Broker Dealer and for continued admission. The fees, security deposits, other monies and any additional deposits paid, whether in the form of cash, Bank Guarantee, Securities or otherwise, with the Exchange, by a Broker Dealer from time to time, shall be subject to a first and paramount lien for any sum due to the Exchange and all other claims against the Broker Dealer for due fulfillment of engagements, obligations and liabilities of Broker Dealers arising out of or incidental to any dealings made subject to the Byelaws, Rules and Regulations of the Exchange. The Exchange shall be entitled to adjust or appropriate such fees, deposits and other monies for such dues and claims, to the exclusion of the other claims against the Broker Dealer, without any reference to the Broker Dealer.

- (d) Broker Dealer may trade on the Exchange in the Exchange Products .
- (e) Broker Dealers may trade in relevant Exchange Products either on their own account as principals or on behalf of their clients unless otherwise specified by the Relevant Authority and subject to such conditions which the Relevant Authority may prescribe from time to time. They may also act as Market-Makers in such Exchange Products if they are so authorised and subject to such conditions as under Chapter VII.

Conditions

- (2) (a) Broker Dealers shall adhere to the Bye Laws, Rules and Regulations of the Exchange and shall comply with such operational parameters, rulings, notices, guidelines and instructions of the Relevant Authority and / or Exchange as may be applicable.
- (c) Broker Dealers shall comply with such Exchange requirements as may be prescribed by the Relevant Authority from time to time with regard to advertisements (print / digital / broadcast and / or any other form) and issue of circulars in connection with their activities as Broker Dealers.
- (d) Broker Dealers shall furnish declarations relating to such matters and in such forms as may be prescribed by the Relevant Authority from time to time.
- (e) Broker Dealers shall furnish to the Exchange an annual Auditors' Certificate certifying that specified Exchange requirements as may be prescribed from time to time by the Relevant Authority pertaining to their operations have been complied with.
- (f) Broker Dealers shall furnish such information and periodic returns pertaining to their operations as may be required by the Relevant Authority and / or Exchange from time to time.
- (g) Broker Dealers shall furnish to the extent such audited and/or unaudited financial or quantitative information and statements as may be required by the Relevant Authority from time to time.
- (h) Broker Dealers shall extend full co-operation and furnish such information and explanation as may be required for the purpose of any inspection or audit authorised by the Relevant Authority or other authorised official of the Exchange into or in regard to any trades, dealings, their settlement, accounting and/or other related matters.

Chapter V - Participants

The following provisions shall be modified as under

Rights and Liabilities of Participants

- (3) (a) Notwithstanding any provisions to the contrary as may be contained in any other part of the Bye Laws especially VI(3) (a), the Exchange may recognise a Participant as a party to the deal or trade made, firm up or contracted by the Participant through a Broker Dealer of the Exchange or otherwise, for such purposes (including for clearing and settlement) subject to such terms, conditions and requirements and in such circumstances as may be prescribed by the Relevant Authority from time to time.
- (b) Save as otherwise provided in these Bye Laws and Regulations, recognition of the Participant by the Exchange as a party to the deal or trade made, firm up or contracted by the Participant through the Broker Dealer, shall not in any way affect the jurisdiction of the Exchange on the concerned Broker Dealer in regard thereto and such Broker Dealer shall continue to remain responsible, accountable and liable to the Exchange in this behalf.

Chapter VI

The following chapter shall be renamed as under

Chapter VI - DEALINGS BY BROKER DEALERS

The following provisions shall be inserted

Deals by Representative Broker Dealers

- 6 (c) The Exchange and / or relevant authority may with or without any notice suspend or revoke the permission granted pursuant to clause (a) above, if it deems fit

The following provisions shall be modified as under

Jurisdiction

- (1) (a) Any deal entered into through automated trading system of the Exchange or any proposal for buying or selling or any acceptance of any such proposal for buying and selling shall be deemed to have been entered at the computerised processing unit of the Exchange at GIFT IFSC and the place of contracting as between

the Broker Dealers shall be at GIFT IFSC. The Broker Dealers of the Exchange shall expressly record on their contract note that they have excluded the jurisdiction of all other Courts save and except, Civil Courts in Gandhinagar in relation to any dispute arising out of or in connection with or in relation to the contract notes, and that only the Civil Courts at Gandhinagar have exclusive jurisdiction in claims arising out of such dispute. The provisions of this Byelaw shall not object the jurisdiction of any court deciding any dispute as between Broker Dealers and their Constituents to which the Exchange is not a party.

- (b) The record of the Exchange as maintained by a central processing unit or a cluster of processing units or computer processing units, whether Maintained in any register, magnetic storage units, electronic storage optical storage units or computer storage units or in any other manner shall constitute the agreed and authentic record in relation to any transaction entered into through automated trading system. For the purposes of any dispute the record as maintained by the computer processing units by the Exchange shall constitute valid evidence in any dispute or claim between the Constituents and the Broker Dealer of the Exchange or between the Broker Dealers of the Exchange inter-se.

Indemnity

- (2) The Exchange shall not be liable for any unauthorised dealings on the Exchange by any persons acting in the name of Broker Dealer(s).

Broker Dealers Only Parties to Trades

- (3) (a) The Exchange does not recognise as parties to any deal any persons other than its own Broker Dealers, and
- (b) Every Broker Dealer is directly and wholly liable, in accordance with the Bye Laws, Rules and Regulations of the Exchange, to every other Broker Dealer with whom such Broker Dealer effects any deal on the Exchange for due fulfillment of the deal, whether such deal be for account of the Broker Dealer effecting it or for account of a Constituent.

All Dealings Subject to Bye Laws, Rules and Regulations

- (4) All dealings in Exchange Products on the Exchange shall be deemed made subject to the Bye Laws, Rules and Regulations of the Exchange and this shall be a part of the terms and conditions of all such deals and the deals shall be subject to the exercise by the Relevant Authority of the powers with respect thereto vested in it by the Bye Laws, Rules and Regulations of the Exchange.

Inviolability of Trade

- (5) (a) All the dealings in Exchange Products on the Exchange made subject to the Bye Laws, Rules and Regulations of the Exchange shall be inviolable and shall be cleared and settled in accordance with the Bye Laws, Rules and Regulations of the Exchange. However, the Exchange may by a notice reset the price of a deal (s) to an appropriate price and/or annul the deal(s) on an application by a Broker Dealer in that behalf, if the Relevant Authority is satisfied after hearing the other party/parties to the deal(s) that the deal(s) is/are fit for annulment on account of fraud or wilful misrepresentation or material mistake in the trade.
- (b) Notwithstanding anything contained in clause (a) above, the Exchange may, to protect the interest of investors in Exchange Products and for proper regulation of the securities market, suo motu annul deal(s) or reset the price of a deal (s) to an appropriate price at any time if the Relevant Authority is satisfied for reasons to be recorded in writing that such deal(s) is/are vitiated by fraud, material mistake, misrepresentation or market or price manipulation and the like.
- (c) Any annulment or price reset made pursuant to clauses (a) and (b) above, shall be final and binding upon the parties to trade(s). In such an event, the Broker Dealer shall be entitled to cancel the relevant contracts with its Constituents.

Deals by Representative Broker Dealers

- (6) (a) A Broker Dealer may authorise another Broker Dealer to act as a representative for a specified period with the prior permission of the Relevant Authority.
- (b) When a Broker Dealer employs another Broker Dealer as a representative to put through the transaction of a Constituent, such representative shall report the transaction to the employing Broker Dealer at the same price as dealt in the market and the employing Broker Dealer shall report the same price to the Constituent in respect of such transaction.

Restriction on the Broker Dealers

- (7) Unless the Exchange otherwise specifies by way of prior approval, a Broker Dealer shall not become a Constituent of another Broker Dealer.

Chapter VII- TRADING SYSTEM, LIQUIDITY PROVIDERS, AND MARKET MAKERS**The following provisions shall be inserted**

- (2) (d) A registered Market Maker or Liquidity Provider in any Exchange Product must:
 - (iv) comply with all the requirements as specified by the relevant authority from time to time.

The following provisions shall be modified as under

- (1) Exchange Products which will be eligible for market making, if at all, will be specified by the Relevant Authority from time to time.

Registration of Liquidity Providers and Market Makers

- (2) (a) Broker Dealers or Constituent may apply to be Market Makers or Liquidity Providers in any exchange product eligible for market making.
- (b) No Broker Dealer or Constituent shall act as a Market Maker or Liquidity Providers unless such Broker Dealer or Constituent is approved in accordance with this Bye Law and the approval has not been suspended or cancelled. Application for registration shall be in such and with such particulars as maybe prescribed from time to time and such application may be accepted or deferred on such terms and conditions as the Exchange may deem fit or rejected, at the sole discretion of the Exchange.
- (c) A Market Maker or Liquidity Provider shall apply to be registered to the Relevant Authority before commencing market making operations in each relevant Exchange product. If the Relevant Authority is satisfied, it shall within fifteen business days of receipt of such notification, designate the Market Maker or Liquidity Provider as a registered Market Maker or Liquidity Provider for that Exchange product. A registered Market Maker or Liquidity Provider shall not commence to make a market in any relevant Exchange product until one business day after notice of its registration has been disseminated through the Trading system.
- (d) A registered Market Maker or Liquidity Provider in any Exchange Product must:
 - (i) undertake to make bid and offer quotations in the trading system with respect to that Exchange product and to effect transactions in a minimum quantity of such other number of Exchange Products as may be prescribed from time to time at its quoted price per business day;
 - (ii) undertake to make market for the Exchange product for as long as prescribed from time to time from the date the Exchange product becomes available for trading by public in the case of a registered Market Makers or Liquidity Provider approved under Byelaw2(b) above.
 - (iii) undertake to execute orders for the purchase or sale of relevant Exchange Products at its quoted prices with Broker Dealers or clients.
- (e) A registered Market Maker or Liquidity Provider may cease making a market in a particular Exchange product any time after a minimum period as prescribed from time to time from commencement of making market in that Exchange product, after having given the required notice of intention to the Relevant Authority. The required period of notice in this case shall be fifteen business days or such other period as maybe prescribed from time to time.
- (f) A registered Market Maker or Liquidity Provider may cease making a market in that Exchange product provided formal approval has been obtained from the Relevant Authority. Such approval will normally be granted in situations where, in the opinion of the Relevant Authority, it is either impractical or undesirable for the registered Market Maker or Liquidity Provider to continue to operate on account of events beyond its control.
- (3) An obligation may be imposed on a Broker Dealer or Constituent taking up market making operations in certain Exchange Products to take up additional market making operations in certain other Exchange Products as determined by the Relevant Authority from time to time.

Suspension and Prohibition of Market Makers

- (4) (a) The Relevant Authority may limit or prohibit the authority of a registered Market Maker to display on or enter quotations into the trading system or deal in the Exchange Products in which he is registered as a Market Maker if:
 - (ii) such Market Maker has defaulted on any transaction effected in respect of Exchange Products
 - (iii) such Market Maker is in such financial or operating difficulty that the Relevant Authority determines that such Market Maker cannot be permitted to display on or enter quotation into the trading system with safety to investors, creditors, other Broker Dealers of the Exchange;

- (6) The operational parameters may, inter alia, include:
- (a) limit of spread between bid and offer rates for different Exchange Products, if found necessary;
 - (b) fixation of market lots, and/or minimum number of Exchange Products to be offered to be bought or sold;
 - (d) the minimum stock of scrips which the Broker Dealer or Constituent must maintain, below which he must intimate the Relevant Authority;
 - (e) in the event of stock of scrips with a Market Maker being sold out, allowing the Market Maker to quote only purchase price offers till such time as marketable lot of Exchange Products is built up to re-commence selling operations; and
 - (f) other matters which may affect smooth operation of trading in Exchange Products in which he acts as a Market Maker, keeping in view larger interest of the public.

Chapter VIII: Transactions and Settlements

The following provision shall be inserted

Closing out

- 18 Subject to the regulations prescribed by the Relevant Authority from time to time, any dealing in Exchange Products made on the Exchange may be closed out by buying in or selling out on the Exchange against a Broker Dealer and/or Participant as follows:-

- (c) in any other cases as the relevant authority may specify from time to time

The following provisions shall be modified as under

Transactions

Business Hours

- (1) The business hours for dealing in the Exchange Products on the Exchange shall be during such time as may be decided by the Relevant Authority from time to time. The relevant authority may, from time to time, specify business hours for different types of deals.

Trading System

- (3) (b) Deals between Broker Dealers may be effected by electronic media or computer network or such other media as specified by the Relevant Authority from time to time.

Transaction at Best Quotation

- (4) In transaction with or on behalf of clients, Broker Dealers must indicate to the clients the current best quotation as reflected in the trading system.

Operational Parameters for Trading

- (5) The Relevant Authority may determine and announce from time to time operational parameters regarding dealing of Exchange Products on the Exchange which Broker Dealers shall adhere to.
- (6) The operational parameters may, inter alia, include:
 - b. trading volumes and limits at which it will be incumbent for Broker Dealers to intimate the Exchange;
 - c. limit of spread between bid and offer rates for different Exchange Products, if found necessary;
 - d. fixation of market lots, and/or minimum number of Exchange Products to be offered to be bought or sold;
 - f. other matters which may affect smooth operation of trading in Exchange Products keeping in view larger interest of the public;
 - g. determine the types of trades permitted for a broker dealer and an Exchange product;

- (7) Suspension on Failure to meet Trading Limits

A Broker Dealer failing to restrict dealings on the Exchange to its trading limits as provided in these Bye Laws and Regulations shall be required by the Relevant Authority to reduce dealings to within trading limits forthwith. The Relevant Authority at its discretion may suspend a Broker Dealer for violation of trading limits and the suspension shall continue until the Relevant Authority withdraws such suspension.

- (10) Unless otherwise provided in these Bye Laws, all dealings carried out in respect of Exchange Products shall be subject to the Bye Laws, Rules and Regulations of the Exchange.

Delivery of Exchange Products

- (11) Delivery of all Exchange Products, documents and papers and payments in respect of all deals shall be in such manner and such place(s) as may be prescribed by the Relevant Authority from time to time.
- (12) The Relevant Authority shall specify from time to time, the Exchange Products, documents and papers which, when delivered in prescribed manner, shall constitute good delivery. Where circumstances so warrant, the Relevant Authority may determine, for reasons to be recorded, whether or not a delivery constitutes a good delivery and such finding shall be binding on the parties concerned. Where the Relevant Authority determines that a delivery does not constitute a good delivery, the delivering party shall be required to substitute good delivery instead within such time period as may be specified.

Clearing and Settlement

- (15) Clearing and Settlement of deals shall be effected by the parties concerned by adopting and using such arrangements, systems, agencies or procedures as may be prescribed or specified by the Relevant Authority from time to time. Without prejudice to the generality of the foregoing, the Relevant Authority may prescribe or specify, for adoption and use by the Broker Dealers, Participants, and other specified Constituents, such custodial and depository services from time to time to facilitate smooth operation of the clearing and settlement arrangement or system.
- (16) The function of the clearing house may be performed by the Exchange or any agency identified by the Relevant Authority for this purpose. The role of the clearing house shall be to act as a facilitator for processing of deliveries and payments between Broker Dealers/Participants for trades effected by them on the Exchange. Settlement in the Exchange shall be either on netted basis, gross basis, trade for trade basis or any other basis as may be specified by the Relevant Authority from time to time. Save as otherwise expressly provided in the Regulations, when funds and Exchange Products are, under a prescribed arrangement, routed through the clearing house, the settlement responsibility shall rest wholly and solely upon the counter parties to the trade and /or the concerned Broker Dealers as the case may be and the clearing house shall act as the common agent of the Broker Dealers / Participants for receiving or giving delivery of Exchange Products and for receiving and paying funds, without incurring any liability or obligation as a principal.

Closing out

- (18) Subject to the regulations prescribed by the Relevant Authority from time to time, any dealing in Exchange Products made on the Exchange may be closed out by buying in or selling out on the Exchange against a Broker Dealer and/or Participant as follows:-
 - a. in case of the selling Broker Dealer/Participant, on failure to complete delivery on the due date; and
 - b. in case of the buying Broker Dealer/Participant, on failure to pay the amount due on the due date, and any loss, damage or shortfall sustained or suffered as a result of such closing out shall be payable by the Broker Dealer or Participant who failed to give due delivery or to pay amount due.
- (19) Closing out of contracts or dealings in Exchange Products and settlement of claims arising there from shall be in such manner within such time frame and subject to such conditions and procedures as may be prescribed from time to time by the Relevant Authority.
- (20) Subject to the Regulations prescribed by the relevant authority from time to time, any deal in Exchange Products made on the Exchange may be transferred from one Broker Dealer to another Broker Dealer under such circumstances and of the Exchange as may be specified by the Relevant Authority from time to time.
- (22) The manner, mode, information requirements, alterations, date and timing, etc., of adjustment with respect to vouchers, coupons, dividends, cash bonus, bonus issues, rights and other privileges between buying Broker Dealer and selling Broker Dealer shall be as prescribed by the Relevant Authority from time to time. The Broker Dealers shall be responsible between themselves and to their Constituents for effecting such adjustments.
- (23) In respect of a contract in Exchange Products which shall become or are exchangeable for new or other Exchange Products under a scheme of reconstruction or reorganisation, the selling Constituent shall deliver to the buyer, as the Relevant Authority directs, either the Exchange Products contracted for or the equivalent in Exchange Products and/or cash and/or other property receivable under such scheme of reconstruction or reorganisation.

Brokerage on Dealings**Brokerage**

- (24) Broker Dealers are entitled to charge brokerage upon the execution of all orders in respect of purchase or sale of Exchange Products at rates not exceeding the official scale prescribed by the Relevant Authority from time to time.

Brokerage on Calls

- (25) A Broker Dealer buying Exchange Products on which calls have been prepaid by the seller may charge brokerage on the purchase price with the amount of such calls added.

Underwriting Commission and Brokerage

- (26) Unless otherwise determined and restricted by the Relevant Authority, a Broker Dealer may, in its discretion, charge such brokerage or commission for underwriting or placing or acting as a broker or entering into any preliminary arrangement in respect of any floatation or new Issues or Offer for Sale of any Exchange product as it may agree upon with the issuer or offerer or with the principal underwriters or brokers engaged by such issuer or offerer, subject to limits stipulated under the relevant statutory provisions as may be applicable from time to time.

Sharing of Brokerage

- (27) (a) A Broker Dealer may not share brokerage with a person who-
- (i) is one for or with whom Broker Dealers are forbidden to do business under the Bye Laws, Rules and Regulations of the Exchange;
 - (ii) is a Broker Dealer or employee in the employment of another Broker Dealer;
- (b) Irrespective of any arrangement for the sharing of brokerage with any person, the Broker Dealer shall be directly and wholly liable to every other broker dealer with whom such Broker Dealer effects any deal on the Exchange.

Chapter IX**The following chapter shall be renamed as under****Chapter IX: RIGHTS AND LIABILITIES OF BROKER DEALERS AND CONSTITUENTS****The following provisions shall be modified as under**

All Contracts subject to Bye Laws, Rules and Regulations

- (1) All contracts relating to dealings permitted on the Exchange made by a Broker Dealer shall in all cases be deemed made subject to the Bye Laws, Rules and Regulations of the Exchange. This shall be a part of the terms and conditions of all such contracts and shall be subject to the exercise by the Relevant Authority of the powers with respect thereto vested in it by the Bye Laws, Rules and Regulations of the Exchange.

Broker Dealers not bound to accept Instructions and Orders

- (2) A Broker Dealer may not accept instructions or orders of Constituents for purchase, sale, etc., of Exchange Products where circumstances appear to justify such action or on reasonable grounds. Where such refusal is made, the same may be communicated to the Constituent. The Broker Dealer shall also furnish the Constituent the reasons for such refusal on a request being made by him/it.

Margin

- (3) A Broker Dealer shall have the right to demand from its Constituent the margin deposit he has to provide under these Bye Laws, Rules and Regulations in respect of the business done by it for such Constituent. A Broker Dealer shall also have the right to demand an initial margin in cash and/or Exchange Products from its Constituent before executing an order and/or to stipulate that the Constituent shall make a margin deposit or furnish additional margin according to changes in market prices. The Constituent shall when from time to time called upon to do so forthwith provide a margin deposit and/or furnish additional margin as required under these Bye Laws, Rules and Regulations in respect of the business done for him/it by and/or as agreed upon by him/it with the Broker Dealer concerned.

Closing-out of Constituent's Account

- (4) (a) The Exchange may close-out open positions of a Constituent or transfer its open positions to another Broker Dealer under such circumstances and in respect of the Exchange as may be specified by the Relevant Authority from time to time.
- (b) When closing-out the account of a Constituent a Broker Dealer may assume or take over such transactions to its own account as a principal at prices which are fair and justified by the condition of the market or he may close-out in the manner specified by the Relevant Authority and any expense incurred or any loss arising therefrom shall be borne by the Constituent. The contract note in respect of such closing-out shall disclose whether the Broker Dealer is acting as a principal or on account of another Constituent.

Broker Dealer not Liable to attend to Registration of Transfer

- (5) A Broker Dealer shall not be deemed to be under any obligation to attend to the transfer of Exchange Products and the registration thereof in the name of the Constituent. If it attends to such work in the ordinary course or at the request or desire or by the consent of the Constituent it shall be deemed to be the agent of the Constituent in the matter and shall not be responsible for loss in transit or for the issuer's refusal to transfer nor be under any other liability or obligation other than that specifically imposed by these Bye Laws, Rules and Regulations. The stamp duty, the transfer fees and other charges payable to the issuer, the fee for attending to the registration of Exchange Products and all incidental expenses such as postage incurred by the Broker Dealer shall be borne by the Constituent

Closing-out/ transfer by Constituent on Failure to perform a Contract

- (6) If a Broker Dealer fails to complete the performance of a contract by delivery or payment in accordance with the provisions of these Bye Laws, Rules and Regulations the Constituent shall, after giving notice in writing to the Broker Dealer and Exchange, close-out such contract through any other Broker Dealer of the Exchange or make an application to the Exchange for transfer of contracts to another Broker Dealer as soon as possible and any loss or damages sustained as a result of such closing-out or transfer, as the case may be, shall be immediately payable by the defaulting Broker Dealer to the Constituent. If closing-out or transfer be not effected as provided herein, the damages between the parties shall be determined on such basis as specified by the Relevant Authority from time to time and the Constituent and the Broker Dealer shall forfeit all further right of recourse against each other.

No Lien on Constituent's Exchange Products

- (7) If a Broker Dealer is declared a defaulter after delivering Exchange Products on account of its Constituent, the Constituent shall be entitled to claim and on offering proof considered satisfactory by the Relevant Authority, and in the absolute discretion of the Relevant Authority, receive from the Exchange accordingly as the Relevant Authority directs either such Exchange Products or the value thereof subject to payment or deduction of the amount if any due by him/it to the defaulter.

Complaint by Constituent

- (8) When a complaint has been lodged by a Constituent with the Relevant Authority that any Broker Dealer has failed to implement its dealings, the Relevant Authority shall investigate the complaint and if it is satisfied that the complaint is justified it may take such disciplinary action as it deems fit.

Relationship between Broker Dealer and Constituents

- (9) Without prejudice to any other law for the time being in force and subject to these Bye Laws, the mutual rights and obligations inter se between the Broker Dealer and its Constituent shall be such as may be prescribed by the Relevant Authority from time to time.

CHAPTER X - Arbitration**The following provisions shall be modified as under**

All claims, differences or disputes between the Broker Dealers inter se and between Broker Dealers and Constituents or between such other parties as specified by the Relevant Authority from time to time, arising out of or in relation to dealings, contracts and transactions made subject to the Bye-Laws, Rules and Regulations of the Exchange or with reference to anything incidental thereto or in pursuance thereof or relating to their validity, construction, interpretation, fulfilment or the rights, obligations and liabilities of the parties there to and including any question of whether such dealings, transactions and contracts have been entered into shall be referred to and decided by arbitration, mediation and other dispute resolution mechanisms offered by such International Arbitration Centres in IFSC as specified by the Relevant Authority from time to time.

CHAPTER XI- DEFAULT**The following provision shall be inserted**

Application of Assets

- (20) (f) After making payment of claims arising out of provisions under Bye-law 20(a) and 20(b) of Chapter XI of the Bye-Laws, reimburse and/or compensate the Investor Protection Fund for any payments made there from before claims falling under Bye-law 20(c), 20(d) and 20 (e) of Chapter XI of the Bye-Laws are paid.
- (29) Notwithstanding that a Broker Dealer is suspended or declared a defaulter, the clearing member who has agreed to clear such Broker Dealer's trades/contracts shall be liable to satisfy the obligations/liabilities of the defaulter Broker Dealer arising out of dealings/transactions done on the Exchange and / or such other amounts as may be specified by the relevant authority.

The following provisions shall be modified as under

Declaration of Default

- (1) A Broker Dealer may be declared a defaulter by direction / circular / notification of the Relevant Authority if-
 - (d) it fails to pay any sum due to the Exchange or to submit or deliver to the Exchange on the due date, delivery and receive orders, statement of differences and Exchange Products, balance sheet and such other clearing forms and other statements as the Relevant Authority may from time to time prescribe; or
 - (e) if it fails to pay or deliver to the Relevant Committee all monies, Exchange Products and other assets due to a Broker Dealer who has been declared a defaulter within such time of the declaration of default of such Broker Dealer as the Relevant Authority may direct; or
- (2) Without prejudice to the foregoing, if a Broker Dealer is either expelled or declared a defaulter by any other recognised stock exchange on which it is a Broker Dealer or if the registration certificate is cancelled by Regulator, the said Broker Dealer may be expelled from the Exchange.

Notwithstanding anything contained in this Byelaw, the trading facility of the Broker Dealer shall be withdrawn immediately after the receipt of information of expulsion /default by any other stock exchange or cancellation of registration certificate by Regulator.

Failure to fulfil Obligations.

- (3) The Relevant Authority may order a Broker Dealer to be declared a defaulter if it fails to meet an obligation to a Broker Dealer or Constituent arising out of Exchange transactions.

Insolvent a Defaulter

- (4) A Broker Dealer, being a company incorporated under the Companies Act, and / or relevant statute in its home jurisdiction, has been ordered to be wound up by a Court of Law in the petition filed by any of its creditors, shall be declared a defaulter although it may not have at the same time defaulted on any of its obligations on the Exchange provided however the time for preferring an appeal against such order under the applicable Acts, if any, has expired.

Broker Dealer's Duty to Inform

- (5) A Broker Dealer shall be bound to notify the Exchange immediately if there be a failure by any Broker Dealer to discharge its liabilities in full.

Compromise Forbidden

- (6) A Broker Dealer guilty of accepting from any Broker Dealer anything less than a full and bona fide money payment in settlement of a debt arising out of a transaction in Exchange Products shall be suspended for such period as the Relevant Authority may determine.

Notice of Declaration of Default

- (7) On a Broker Dealer being declared a defaulter a notice to that effect shall be placed forthwith on the trading system.

Defaulter's Book and Documents

- (8) When a Broker Dealer has been declared a defaulter, the Relevant Committee shall take charge of all its books of accounts, documents, papers and vouchers to ascertain the state of its affairs and the defaulter shall hand over such books, documents, papers and vouchers to the Relevant Committee.

List of Debtors and Creditors

- (9) The defaulter shall file with the Relevant Committee within such time of the declaration of its default as the Relevant Authority may direct a written statement containing a complete list of its debtors and creditors and the sum owing by and to each.

Defaulter to give Information

- (10) The defaulter shall submit to the Relevant Committee such statement of accounts, information and particulars of its affairs as the Relevant Committee may from time to time require and if so desired shall appear before the Committee at its meetings held in connection with its default.

Inquiry

- (11) The Relevant Committee shall enter into a strict inquiry into the accounts and dealings of the defaulter in the market and shall report to the Relevant Authority anything improper, unbusiness like or unbecoming a Broker Dealer in connection there with which may come to its knowledge.

Vesting of assets in the Exchange

- (12) The Relevant Committee shall call in and realise the security deposits in any form, other amounts lying to the credit of and Exchange Products deposited by the defaulter and recover all moneys, Exchange Products and other assets due, payable or deliverable to the defaulter by any other Broker Dealer in respect of any transaction or dealing made subject to the Bye-laws, Rules and Regulations of the Exchange and such assets shall vest ipso facto, on declaration of any Broker Dealer as a defaulter, in the Exchange for the benefit of and on account of any dues of the Exchange, NSE IFSC Clearing Corporation Limited, IFSCA, other Broker Dealers, Constituents and registered sub-brokers of the defaulter, approved banks and any other persons as may be approved by the Relevant Committee and other recognised stock exchanges.

Payment to Relevant Committee

- (13) (a) All monies, Exchange Products and other assets due, payable or deliverable to the defaulter must be paid or delivered to the Relevant Committee within such time of the declaration of default as the Relevant Authority may direct. A Broker Dealer violating this provision shall be declared a defaulter.
- (b) A Broker Dealer who shall have received a difference on account or shall have received any consideration in any transaction prior to the date fixed for settling such account or transaction shall, in the event of the Broker Dealer from whom it has received such difference or consideration being declared a defaulter, refund the same to the Relevant Committee for the benefit and on account of the creditor Broker Dealers. Any Broker Dealer who shall have paid or given such difference or consideration to any other Broker Dealer prior to such settlement day shall again pay or give the same to the Relevant Committee for the benefit and on account of the credit or Broker Dealer in the event of the default of such other Broker Dealer.
- (c) A Broker Dealer who receives from another Broker Dealer during any clearing a claim note or credit note representing a sum other than a difference due to it or due to its Constituent which amount is to be received by it on behalf and for the account of that Constituent shall refund such sum if such other Broker Dealer be declared a defaulter within such number of days as prescribed by the Relevant Authority after the settling day. Such refunds shall be made to the Relevant Committee for the benefit and on account of the creditor broker dealers and it shall be applied in liquidation of the claims of such creditor broker dealers whose claims are admitted in accordance with these Bye Laws, Rules and Regulations.

Distribution

- (14) The Relevant Committee shall at the risk and cost of the creditor broker dealers pay all assets received in the course of realisation into such bank and/or keep them with the Exchange in such names as the Relevant Authority may from time to time direct and shall distribute the same as soon as possible pro rata but without interest among creditor broker dealers whose claims are admitted in accordance with these Bye Laws, Rules and Regulations.

Closing-out

- (15) (a) Broker Dealers having open transactions with the defaulter shall close out such transactions on the Exchange after declaration of default. Such closing out shall be in such manner as may be prescribed by the Relevant Authority from time to time. Subject to the Regulations in this regard prescribed by the Relevant Authority, when in the opinion of the Relevant Authority, circumstances so warrant, such closing out shall be deemed to have taken place in such manner as may be determined by the Relevant Authority or other authorised persons of the Exchange.
- (b) Differences arising from the above adjustments of closing out shall be claimed from the defaulter or paid to the Relevant Committee for the benefit of creditor Broker Dealers of the defaulter.

Accounts of Relevant Committee

- (16) The Relevant Committee shall keep a separate account in respect of all monies, Exchange Products and other assets payable to a defaulter which are received by it and shall defray therefrom all costs, charges and expenses incurred in or about the collection of such assets or in or about any proceedings it takes in connection with the default.

Report

- (17) The Relevant Committee shall every six months present a report to the Relevant Authority relating to the affairs of a defaulter and shall show the assets realised, the liabilities discharged and dividends given.

Inspection of Accounts

- (18) All accounts kept by the Relevant Committee in accordance with these Bye Laws, Rules and Regulations shall be open to inspection by any creditor Broker Dealer.

Scale of Charges

- (19) The charges to be paid to the Exchange on the amounts transferred to the Relevant Committee account shall be such sum as the Relevant Authority may from time to time prescribe.

Application of Assets

- (20) The Relevant Committee shall apply the net assets remaining in its hands after defraying all such costs, charges and expenses as are allowed under the Rules, Bye- laws and Regulations to be incurred by the Exchange, in satisfying the claims in the order of priority provided hereunder:-

- (b) Dues to other Broker Dealers and to Constituents and registered sub- brokers of the defaulter

The payments as may be admitted by the Relevant Committee, as being due to other Broker Dealers and Constituents and registered sub- brokers of the defaulter for debts, liabilities, obligations and claims arising out of any contracts made by the defaulter subject to the Rules, Bye-laws and Regulations of the Exchange, shall, if the amount is insufficient, be distributed pro rata amongst other Broker Dealers, all the Constituents and registered sub-brokers of the defaulter. The other Broker Dealers in turn share the amounts so received with their Constituents on pro rata basis.

- (c) Dues to the Approved Banks and claims of any other persons as approved by the Relevant Committee

After making payments under Clause (b) above, the amounts remaining, if any, shall be utilised to meet the claims of the approved banks and of any other person as may be admitted by the Relevant Committee. The claims of the approved banks should have arisen by virtue of the Exchange or NSE IFSC Clearing Corporation Limited invoking any bank guarantee issued by the bank concerned to the Exchange or NSE IFSC Clearing Corporation Limited as the case may be on behalf of the defaulter to fulfill its obligation of submitting bank guarantee, guaranteeing discharge of obligations under the Byelaws, Rules and Regulations of NSE IFSC Limited / NSE IFSC Clearing Corporation Limited. The claims of other persons should have arisen out of or incidental to the transaction done on the Exchange or requirements laid down by the Exchange, provided that if the amount available be insufficient to pay all such claims in full, they shall be paid pro rata, and

- (d) Dues to any other recognised stock exchange:

After meeting the claims under (c) above, the remaining amounts, if any, shall be disbursed to any other recognised stock exchange for the purpose of meeting the obligations of the defaulter as a broker dealer of that Exchange. If the defaulter is a broker dealer of more than one recognised stock exchange, then the remaining amounts shall be distributed amongst all such recognised stock exchanges and if the remaining amount is insufficient to meet the claims of all such stock exchanges, then the remaining amount shall be distributed pro rata among all such stock exchanges.

- (e) Surplus assets:

Surplus assets, if any, may be released to the defaulter after a period of atleast one year from the date of declaration of the Broker Dealer as defaulter or after satisfying the claims falling under Bye-law 20, whichever is later.

Certain claims not to be entertained

- (21) The Relevant Committee shall not entertain any claim against a defaulter:

- (a) which arises out of a contract in Exchange Products dealings in which are not permitted or which are not made subject to Bye Laws, Rules and Regulations of the Exchange or in which the claimant has either not paid himself or colluded with the defaulter in evasion of margin payable on bargains in any Exchange product;
- (d) which is not filed with the Relevant Committee within such time of date of declaration of default as may be prescribed by the Relevant Authority.

Claims against Defaulting Representative Broker Dealer

- (22) The Relevant Committee shall entertain the claim of a Broker Dealer against a defaulter in respect of loss incurred by it by reason of the failure of the Constituents introduced by such defaulter to fulfill their obligations arising out of dealings which are permitted on the Exchange and made subject to the Bye Laws, Rules and Regulations of the Exchange provided the defaulter was duly registered as a representative Broker Dealer working with such creditor broker dealer.

Claims of Relevant Committee

- (23) A claim of a defaulter whose estate is represented by the Relevant Committee against another defaulter shall not have any priority over the claims of other creditor broker dealers but shall rank with other claims as provided in Byelaw 20 (b) above.

Assignment of Claims on Defaulter's Estate

- (24) A Broker Dealer being a creditor of a defaulter shall not sell, assign, or pledge its claim on the estate of such defaulter without the consent of the Relevant Authority.

Proceedings in the Name of or against the defaulter

- (25) The Relevant Committee shall be empowered to

Payment of Relevant Committee

- (26) If any Broker Dealer takes any proceedings in a court of law against a defaulter whether during the period of its default or subsequent to its re-admission to enforce any claim against the defaulter's estate arising out of any transaction or dealing in the market made subject to the Bye Laws, Rules and Regulations of the Exchange before it was declared a defaulter and obtains a decree and recovers any sum of money thereon it shall pay such amount or any portion thereof as may be fixed by the Relevant Authority to the Relevant Committee for the benefit and on account of the creditor broker dealers having claims against such defaulter.
- (27) The Relevant Committee for the purpose of this Chapter shall be a Committee as may be constituted by the Board of Directors from time to time. The composition of Relevant Committee shall be such as may be prescribed by Regulator.
- (28) Notwithstanding anything to the contrary contained in this Chapter, where any Exchange Products are lodged for rectification of company objection arising out of signature difference or otherwise against a defaulter, the Exchange or NSE IFSC Clearing Corporation Limited (Clearing Corporation) shall, after satisfying itself about the bonafides of the receiving broker dealers / client of the receiving broker dealer, acquire the Exchange Products in its own name for the benefit of or in trust for the receiving broker dealer / client of the receiving broker dealer. The Exchange/ Clearing Corporation may upon payment of such charges as it may prescribe, sell or otherwise dispose of the Exchange Products so acquired or transfer the Exchange Products to the receiving broker dealer/ client of the receiving broker dealer, in full and final satisfaction of the claim; Provided that the Exchange/ Clearing Corporation shall be free to require such receiving broker dealer / client of the receiving broker dealer to indemnify the Exchange and Clearing Corporation in such form and manner as it may prescribe, as a condition precedent; Provided further that such payment of sale proceeds or transfer of Exchange Products to the receiving broker dealer / client of the receiving broker dealer shall discharge the claim completely and no further claim shall lie against the defaulter on any ground whatsoever.

Chapter XII –Investor Protection Fund**The following provisions shall be modified as under**

- (1) In respect of the Exchange as may be prescribed by the Exchange, an Investor Protection Fund (IPF) to be held in trust, earmarked in the books of accounts, or managed by any other means as permitted by the regulator, through NSE IFSC Limited. Investor Protection Fund shall be maintained to make good claims for compensation which may be submitted by a Broker Dealer's Constituent who suffers loss arising from the said Broker Dealer being declared as a defaulter by the Exchange under Chapter XI. No claim of a claimant, who is a Broker Dealer of the Exchange or an associate of a Broker Dealer, shall be eligible for compensation from the IPF unless he has acted as a Constituent of the said Broker Dealer to the extent permitted by the Exchange.

- (3) The amount that may be paid under this Part to a claimant shall not exceed such amount as may be decided by the Trust / Relevant Authority from time to time. The Trust / Relevant Authority shall disburse the compensation to the claimants as and when claims have been crystallised against the defaulter and admitted for payment by the Trust/ Relevant Authority based on the recommendations, if any, of the Relevant Committee and such compensation shall not be more than the maximum amount fixed for a single claim.
- (4) The Trust / Relevant Authority shall have the power to utilise corpus and interest earned on the corpus of the IPF for meeting expenses or claims relating to services provided to investors as stipulated by Regulator or Board from time to time.
- (5) Notwithstanding anything contained in any other Byelaw, the Trust / Relevant Authority shall have the power to utilise the interest income earned on the investments made out of IPF, either in part or whole, for educating investors, creating awareness among the investor community at large and for any research connected therewith or incidental thereto.
- (7) A claim for compensation in respect of a default shall be made in writing to the Exchange on or before the date specified in the said notice and any claim which is not so made shall be barred unless the Trust / Relevant Authority otherwise determines. The Exchange shall process the claims in accordance with procedures as may be laid down by Relevant Committee and if the assets of the defaulter are insufficient to meet the approved claims, it shall forward the claims along with the recommendations of the Relevant Committee to the Trust / Relevant Authority. However, the Trust / Relevant Authority need not wait for the realization of the assets of the defaulter before the disbursement towards claims.
- (8) A claimant under this Chapter must sign an undertaking to be bound by the decision of the Trust / Relevant Authority whose decision shall be final and binding.
- (9) The Trust / Relevant Authority in disallowing (whether wholly or partly) a claim for compensation shall serve notice of such disallowance on the claimant.
- (10) The Trust / Relevant Authority, if satisfied that the default on which the claim is founded was actually committed, may allow the claim and act accordingly.
- (11) The Trust / Relevant Authority may at any time and from time to time require the claimant to produce and deliver any Exchange Products, documents or statements of evidence necessary to support any claim made or necessary for the purpose of establishing its claims and in default of delivery of any such Exchange Products, documents or statements of evidence by such claimant, the Trust / Relevant Authority may disallow any claim by him/it under this Chapter.
- (13) The IPF to be held in trust or any other means as prescribed by the regulator as aforesaid shall vest with the Trust/ Relevant Authority which shall administer the same. The IPF shall be well segregated and shall be immune from any liabilities of the Exchange.
- (14) The Exchange, in consultation with the Trust/ Relevant Authority, shall review and progressively increase the amount of compensation available against a single claim from an investor every three years. The Exchange shall disseminate the compensation limit fixed and any change thereof, to the public through a Press Release and also through web site of the Exchange.
- (15) The Trust / Relevant Authority may seek the advice of the Relevant Committee as to the eligibility or otherwise of individual claims of investors.
- (16) The Exchange shall arrange to provide administrative assistance to the Trust / Relevant Authority
- (18) The balance of the IPF lying unutilised with the Trust / Relevant Authority shall continue to be utilised only for such purposes as prescribed by Regulator. In the event of winding up of the Exchange, the balance lying unutilised with the Trust / Relevant Authority shall be transferred to Regulator. The funds will be maintained in a separate account and Regulator would act as Trustee of these funds to be utilised for purposes of investor education, awareness and research.

Chapter XIV–MISCELLANEOUS

The following provisions shall be modified as under

- (1) The Relevant Authority shall be empowered to impose such restrictions on transactions in one or more Exchange Products as the Relevant Authority in its judgment deems advisable in the interest of maintaining a fair and orderly market in the Exchange Products or if it otherwise deems advisable in the public interest or for the protection of investors. During the effectiveness of such restrictions, no Broker Dealer shall, for any account in which it has an interest or for the account of any client, engage in any transaction in contravention of such restrictions.
- (4) Broker Dealers have an obligation as the Broker Dealers of the Exchange to inform the Relevant Authority of the Exchange and the Regulator about insider trading, information on takeover and other such information/practices as may be construed as being detrimental to the efficient operations of the Exchange and as may be required under Rules and Regulations, prescribed by the appropriate Regulator.
- (5) Save as otherwise specifically provided in the Regulations prescribed by the Relevant Authority regarding clearing and settlement arrangement, in promoting, facilitating, assisting, regulating, managing and operating the Exchange, the Exchange should not be deemed to have incurred any liability, and accordingly no claim or recourse, in respect of, in relation to, any dealing in Exchange Products or any matter connected therewith shall lie against the Exchange or any authorised person(s) acting for the Exchange.

FOR NSE IFSC LIMITED

Bhawika Wanchoo
Chief Regulatory and Risk Officer

